

Centre Number						Candidate Number				
Surname										
Other Names										
Candidate Signature										

For Examiner's Use	
Examiner's Initials	
Question	Mark
1	
2	
3	
TOTAL	



General Certificate of Secondary Education
June 2010

Economics

413011

Unit 11 Personal Economics

Monday 7 June 2010 9.00 am to 10.15 am

You will need no other materials.
You may use a calculator.

Time allowed

- 1 hour 15 minutes

Instructions

- Use black ink or black ball-point pen.
- Fill in the boxes at the top of this page.
- Answer **all** questions.
- You must answer the questions in the spaces provided. Do not write outside the box around each page or on blank pages.
- Do all rough work in this book. Cross through any work you do not want to be marked.

Information

- The marks for questions are shown in brackets.
- The maximum mark for this paper is 70.
- You are reminded of the need for good English and clear presentation in your answers. Quality of Written Communication will be assessed in Questions 1(e), 2(c) and 3(c).



J U N 1 0 4 1 3 0 1 1 0 1

Answer **all** questions in the spaces provided.

Total for this question: 30 marks

1 Read **Item A** and then answer the questions that follow.

Item A

Decisions, decisions

Rachel Webster is 21 years old. She has just started her first job working for a major high street bank, having completed a three-year course at university. Rachel is now earning £18 000 per year. She is hopeful that this will be the first step on what will be a rewarding career.

After three years as a student, Rachel has built up a student loan of £10 000. There is no time limit on repaying this loan to the government and currently its rate of interest is 0%. She also has a bank loan of £3000 on which she is paying interest of 6% per year over three years.

As Rachel moves into this different stage of her personal lifecycle, she is thinking what she might do with her increased income. She is considering the following:

- paying off some of her loans
- starting to save some money for a deposit on a flat.

1 (a) Rachel has a bank loan. Identify **two** features of a loan.

1

.....

2

.....

(2 marks)

1 (b) (i) Identify what stage in her personal lifecycle Rachel has reached.

.....

.....

(1 mark)



1 (b) (ii) State and explain **one** need that Rachel might have in this stage of her personal lifecycle.

Need

Explanation

.....

.....

.....

.....

(3 marks)

1 (c) To celebrate getting her first month's wages, Rachel decides to treat herself to a holiday. She has noticed that there is a wide choice of holidays on offer.

1 (c) (i) State **two** different factors which might affect Rachel's choice of holiday.

1

.....

2

.....

(2 marks)

1 (c) (ii) Explain **two** advantages to Rachel of competition between businesses selling holidays.

.....

.....

.....

.....

.....

.....

.....

.....

(4 marks)

Turn over ►



1 (d) Rachel is thinking of saving for a deposit on a flat, which she hopes to buy in three years' time.

Explain **two** factors Rachel needs to consider when choosing where to save her money.

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

(6 marks)

Extra space

.....

.....

1 (e) Having decided to save for a deposit on a flat, Rachel is aware that she still has her bank and student loans to repay.

Recommend to Rachel whether or not she should pay off her loans first, before starting to save for a deposit on a flat. Give reasons for your recommendation.

.....

.....

.....

.....

.....



Total for this question: 20 marks

2 Read **Item B** and then answer the questions that follow.

Item B

Rachel's job

After a year, Rachel has been promoted to Supervisor at the bank and she is now earning £20 000 per year. Each month she receives a pay slip which shows her gross pay and any deductions. She finds her current job interesting and rewarding. However, she hopes one day to be a bank manager and earn a much higher salary.

Harry, one of Rachel's friends, has recently lost his job because of the recession. Harry had recently completed his training as an engineer in car manufacturing. He was earning £12 000 per year. His boss has just told him that as orders for new cars have fallen, there is not enough work to keep him employed.

Harry, who is single, is keen to find another job as he needs to pay the rent on his flat.

2 (a) State **two** items that are likely to be deducted from Rachel's gross pay.

- 1
-
- 2
-

(2 marks)



2 (b) Explain **two** possible reasons why Harry was paid less than Rachel.

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

(6 marks)

Extra space

.....

.....

Question 2 continues on the next page

Turn over ►



.....

.....

.....

.....

.....

.....

.....

.....

(12 marks)

Extra space

.....

.....

.....

.....

.....

<hr/>
20

Turn over for the next question

Turn over ►



Total for this question: 20 marks

3 Read **Item C** and then answer the questions that follow.

Item C

Going abroad for a holiday

Rachel decided to go to France for her holiday. She decided to travel there by train after her friend, Graham, warned her of the damage that air travel is causing to the environment. Graham is a member of a group that is protesting against the building of a third runway at London Heathrow airport. This group says that the growth in demand for air travel is causing an increase in greenhouse gases.

When Rachel arrived in France she needed to change some of her money into euros. She was disappointed how few euros she received for her money. She was told that the value of the pound had fallen against the euro.

3 (a) Explain what is meant in **Item C** by the 'value of the pound had fallen against the euro'.

.....

.....

.....

.....

(2 marks)



3 (b) Explain how the lower value of the pound against the euro might affect holidaymakers, like Rachel, when planning their holidays.

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

(6 marks)

Extra space

.....

.....

Question 3 continues on the next page

Turn over ►



